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Message Text

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67
ACTION AF-06

INFO OCT-01 EUR-12 NEA-10 ISO-00 AID-05 CIAE-00 EB-07

FRB-03 INR-07 NSAE-00 USIA-06 TRSE-00 XMB-02 OPIC-03

SP-02 CIEP-01 LAB-04 SIL-01 OMB-01 INT-05 OES-03

FEA-01 L-03 /083 W
---------- 105362
R 091201Z JUN 75
FM AMEMBASSY NOUAKCTT
TO SECSTATE WASHDC 3915
INFO AMEMBASSY KUWAIT
RUEHDOXUSDOC
AMEMBASSY RABAT
AMEMBASSK PARIS
AMEMBASYV LONDON
AMEMBASSY ALGIERS

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E.O. 11652: N/A
TAGS: BEXP EIND EINV KU MR US
SUBJECT: KUWAITI AND PRIVA US ROLE IN MAURITANIAN COPPER REF-
INERY AND STEEL MILL

REF: (A) KUWAIT 1311 (B) NOUAKCHOTG /9 (C) KUWAIT 2356 (ALL
NOTAL)

SUMMARY: JOHN MONTGOMERY, MANAGER FOR METALS PRCESSING PLANT
ENGINEERING AT H.K. FERGUSON CO., VISITED NOUAKCHOTT LAST WEEK.
AT CONCLUSION OF VISIT HE BRIEFED EMB. OFFS. ON STATUS OF KUWAITI
INVOLVEMENT IN PROPOSED MAURITANIAN COPPER REFINERY AND INTEGRATED
STEEL MILL. HE ALSO SAID THERE IS PROBABLE ROLE FOR H.K. FERGUSON.
END SUMMARY.

1. STEEL MILL: MAURITANIA PLANS TO BUILD INTEGRATED STEEL MILL
AT NOADHIBOU, NORTHERN PORT TOWN, IN COOPERATION WITH KUWAIT
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FOREIGN TRADPRGJC CONTRACTING, AND INVESTMENT CO. (KFTCIC).

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MAURITANIA PREFERS CONVENTIONAL STEEL MILL WITH BLAST FURNACE HAVING AN ANNUAL CAPACITY OF 1,000,000 TONS. BASIC OXYGEN TYPE MILL WOULD ALSO PERMIT PRODUCTION OF BY-PRODUCTS SUCH AS FERTILIZER. MONTGOMERY SUGGESTED THAT IF BLAST FURNACE OPERATION IS INSTALLED, MAURITANIA WOULD LIKELY PURCHASE COAL FROM US, WHICH COULD PROBABLY BE ARRANGED ON 2-3 YEAR NOTICE. KUWAITI INTERESTS, ON OTHER HAND, PREFER TO CONVERT IRON IXIDE TO PIG IRON WITHOUT BLAST FURNANCE, I.E. DIRECT REDUCTION METHOD. THIS WOULD RESULT IN MILL WITH CAPACITY OF ABOUT 400,000 TONS, ALTHOUGH IT COULD BE EXPANDED AT LATER STAGE. PARTIALLY AS RESULT OF THIS DISAGREEMENT, THERE HAS BEEN VIRTUALLY NO PROGRESS ON STEEL MILL. ALTHOUGH MAURITANIA CONTINUES TO PUSH FOR STEEL MILL, MONTGOMERY SAID HE HAS HEARDSOME REPORTS THAT KUWAITIS HAVE NO INTENTION OF UNDER-TAKING PROJECT. MONTGOMERY EVEN QUESTIONS WHETHER KUWAITI GROUP HAS KIND OF MONEY IT TAKES TO BUILD BASIC OXYGEN TYPE MILL.

2. COPPER REFINERY: PLANS FOR BUILDING COPPER REFINERY IN NOUAKCHOT

ARE MOVING FORWARD. MONTGOMERY SAID KFTCIC, WHICH IS ALSO INVOLVED IN THIS PROJECT, IS PRESENTLY MUCH MORE INTERESTED IN COPPER REFINERY THAN IN STEEL MILL. (NOUAKCHOTT 413 REPORTS GOVERNMENT TAKEOVER OF COPPER INDUSTRY). TENDERS HAVE BEEN LET AND ALL BIDS ARE EXPECTED TO BE REVIEWED BY SEPTEMBER. (WE RECENTLY LEARNED FROM OFFICIAL AT SOCIETE NATIONALE INDUSTRIELLE ET MINIERE--SNIM--, MAURITANIA'S INDUSTRIAL HOLDING COMPANY, THAT THREE AMERICAN COMPANIES ARE BIDDING ON CONSTRUCTION OF REFINERY). NEW REFINERY WILL ALSO REQUIRE CONSTRUCTION OF NEW CONCENTRATING PLANT AT AKJOUJT, SITE OF COPPER MINES.

3. H.K. FERGUSON INTERST: MONTGOMERY SAID H.K. FEGUSON HAS INSIDE TRACK AS CONSULTANT FOR COPPER REFINERY. IF SELECTED, FEGUSON WOULD ANALYZE BIDS, SUPERVISE PROJECT, AND INSPECT WORK ON BEHALF OF SNIM. KSHOTDOTEEL MILL EVER GET OFF GROUND, H.K. FEGUSON HOPES TO PLAY SIMILAR ROLE. MONTGOMERY SAID IT IS CONCEIVABLE H.K. FERGUSON WILL HAVE UP TO DOZEN EMPLOYEES IN MAURITANIA WITHIN YEJ P TWO, DIVIDED BETWEEN NOUADHIBOU AND NOUAKCHOTT. SO FAR, FERGUSON HAS HAD GOOD WORKING RELATIONSHIP WITH GIRM. BILLS FOR PREVIOUS STUDIES HAVE BEEN PAID ON TIME AND MONTGOMERY FORSEES LONG-TERM ASSOCITON WITH MAURITANIA. INSPERECTOR GENERAL OULD AMAR TOLD MONTGOMERY LAST WEEK THAT GIRM WISHES TO INCREASE ACTIVITIES WITH LIMITED OFFICIAL USE

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US COMPANIES, ADDING "THAT IS WHERE THE FUTURE IS".HANDYSIDE

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
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Control Number: n/a
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Draft Date: 09 JUN 1975
Decaption Date: 01 JAN 1960
Decaption Note:
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From: NOUAKCHOTT
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ISecure: 1
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